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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 28 2007

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
SHEPARD WATER COMPANY, INC. FOR
APPROVAL OF A PERMANENT RATE
INCREASE.

DOCKET NO. W-01537A-07-0264

IN THE MATTER OF THE APPLICATION OF
SHEPARD WATER COMPANY, INC. FOR
APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-01537A-07-0265

PROCEDURAL ORDER

BY THE COMMISSION:

On May 1, 2007, Shepard Water Company, Inc. ("Company" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for the approval of a permanent rate increase and an application for approval of a financing ("Application").

On May 31, 2007, pursuant to A.A.C. R14-2-103, the Commission's Utilities Division ("Staff") issued a notice of insufficiency with respect to the Company's rate application.

On June 28, 2007, Staff issued a second notice of insufficiency to the Company.

On July 27, 2007, pursuant to A.A.C. R14-2-103, the Commission issued a notice of sufficiency to the Applicant with respect to its rate application classifying the utility as a Class D water utility.

On August 15, 2007, Staff filed a Motion to Consolidate the above-captioned proceedings because the applications are interrelated and approval of the financing application cannot be determined without approval of the pending rate case.

On August 21, 2007, Staff filed a Motion for Extension ("Motion") on behalf of the Applicant because the Company had indicated that it would be unable to timely file responses to Staff's data requests and needed additional time. A review of the pending applications reveals that additional

1 time may also be needed for further discovery prior to the issuance of a Staff Report and therefore,
2 the timeframe should be suspended until further Order.

3 On August 24, 2007, the Company filed its response and agreed with Staff's Motion.

4 Accordingly, the proceedings should be consolidated and the timeframe suspended.

5 IT IS THEREFORE ORDERED that the above-captioned Applications are hereby
6 consolidated for purposes of preparing a Staff Report and for the issuance of an Order by the
7 Commission.

8 IT IS FURTHER ORDERED that the timeframe is hereby suspended until further Order.

9 Dated this 28th day of August, 2007.

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11 
12 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

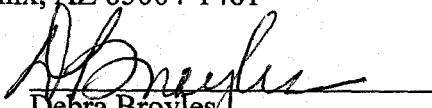
13 Copies of the foregoing were mailed/delivered
14 this 28th day of August, 2007 to:

15 Wade Noble
16 SHEPARD WATER COMPANY, INC.
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26 By: 
27 Debra Broyles
28 Secretary to Marc E. Stern